



# *The Million Pound Donors Report 2012*

IN ASSOCIATION WITH THE CENTRE FOR PHILANTHROPY AT THE UNIVERSITY OF KENT  
RESEARCHED BY DR BETH BREEZE

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# FOREWORD



Welcome to the fifth edition of the Coutts Million Pound Donors Report – a study that aims to capture the essence of philanthropy by the highest donors in the UK in 2010/11.

This report records 232 million pound donations made by 130 separate donors in 2010/11. It is extremely encouraging for the development of UK philanthropy to note that this is the highest number of donors and donations since we began compiling this report in 2008. The more donors there are and the more they communicate about the benefits their philanthropy brings to society and what it means to them personally, the more it will grow and strengthen a culture of philanthropy.

However, this has not been matched by a rise in the combined value of these donations, which at £1.2 billion is lower than in previous years. This is in line with what we may expect with the world economy emerging slowly from a recession and philanthropists therefore being cautious about committing large sums ‘up front’. The ‘Discussion’ section (page 15) of this report therefore explores the changing context of the nature of the ‘social contract’ in the UK and the evolving role and need for philanthropy within this developing context.

The richness and diversity of British philanthropy is exemplified through the case studies of donors and recipients in this report. We are grateful to Liz and Terry Bramall, George Koukis, Fran Perrin and Barrie Wells for sharing their philanthropy ‘journeys’ as donors. We sincerely thank Camila Batmanghelidjh (Kids Company), Emma Davidson (The Courtauld) and Lynda Thomas (Macmillan Cancer Support) for their insights into how their charities have built strong and enduring relationships with their donors.

This report is truly a result of team effort. Many congratulations and thanks to Dr Beth Breeze at the University of Kent and my colleague Lenka Setkova for their work on this report and to my colleagues, Rachel Harrington and Stuart May – for their ideas and support.

We hope you enjoy this report.

Maya Prabhu | *Executive Director*,  
Coutts Institute

# KEY FINDINGS



*There has been a significant increase in the number of million pound donations. In 2010/11 we identified 232 separate donations worth £1 million or more, made by UK donors or given to UK-based charities. This is the largest number we have found in any one year since this study began in 2008; a notable increase on the previous largest number of 201 million pound donations identified in 2008/09.*

There has also been a significant increase in the number of million pound donors. A total of 130 different million pound donors (including individuals, charitable trusts, foundations and corporations) were identified, as some made more than one donation worth £1 million or more in 2010/11. This is substantially more than the 73 different individual donors identified in 2009/10.

The total value of these donations was £1.2 billion. This is lower than the total value recorded in previous years, down from £1.3 billion in the 2011 report, which covered donations made in 2009/10.

More than half (58%) of the million pound donations made in 2010/11 were donated by 93 individual donors, who gave a total of £763 million. Living individuals therefore continue to be the most significant source of the largest donations.



The Indigo Trust and iCow. © Martin Storey

“More than half (58%) of the million pound donations made in 2010/11 were donated by 93 individual donors, who donated a total of £763 million. Living individual donors therefore continue to be the most significant source of the largest donations.”

Corporations (including direct charitable contributions from companies and those made via corporate foundations) account for a much larger share of million pound donations than in previous years. They were responsible for 16% of all donations worth £1 million or more in 2010/11, compared to around 10% in all previous years. However, as their average value is lower than those made by other types of donors, they account for 13.5% of the total value of these biggest gifts in 2010/11.

Higher Education, Arts and Culture and International Development remain the most popular destinations for the largest gifts amongst both individual and institutional donors. But support for environmental causes increased in 2010/11, and all types of charitable sub-sector attract some support from million pound donors.

In contrast to last year, a higher proportion (60%) of million pound donations was given directly to operational charities, and just 40% was banked into charitable trusts and foundations for distribution at a later date, indicating a potential shift towards getting philanthropic money out onto the front-line.

A total of 191 organisations received million pound donations in 2010/11 – far higher than the 154 recipients identified in 2009/10. The vast majority (166) received only one gift of this size. Organisations which received multiple million pound donations tended to be the oldest universities (notably Oxford and Cambridge) or national arts and cultural institutions.





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## | 01 | INTRODUCTION



*This publication is the fifth edition of the Million Pound Donors Report, which collates and analyses data on all identifiable UK charitable donations of £1 million or more.*

It describes and discusses 232 donations worth at least £1 million, made by donors in the UK or to UK charities in 2010/11, with a combined value of £1.24 billion.

As in previous years, this edition of the report also assesses the scale and impact of these gifts, analyses trends in major giving at this level and presents case studies of both 'million pound donors' and 'million pound recipients'.

We are aware that our data is likely to under-estimate the true value of this upper level of philanthropy. This is due to donations that are either made anonymously, or for other reasons have not appeared in an identifiable form on the public record.

Many charities define a 'major donor' as someone who gives £5,000 or more in one donation. Clearly, by that definition this report does not capture all 'major donations', including those from £5,000-£999,999 that fall below our lower threshold of £1 million. We acknowledge that such gifts are





Courtauld scholarship recipients in the Courtauld Gallery

of great value to the causes they benefit, but we have chosen £1 million as our minimum threshold, partly because this is where we felt the biggest knowledge gap lay, and partly to enable comparability with 'The Million Dollar Donor List', which has been collated in the USA since 2000. Further information on US seven-figure donations is available online at [www.milliondollarlist.org](http://www.milliondollarlist.org)

### **Themes for the 2012 report**

This report offers far more than a numeric analysis of the quantity and value of million pound donations. As in previous reports, we include case studies of both those who give and receive at this level. Each one is both inspiring and instructive on the diversity of how philanthropy is practised in the UK.

The sections on 'Top Tips' for Donors and Charities in this report highlight advice drawn from these case studies, on how donors and charities can strengthen their practice and their partnership.

In the 'Discussion' section we focus on the changing context of the roles of government, business and civil society towards building a healthy society in the UK and how contemporary philanthropy is evolving in this context.

## | 02 | FINDINGS

### 1. The number and value of million pound donations

A total of 232 charitable donations worth £1 million or more were identified in 2010/11, with a combined value of £1.241 billion. While these figures have gone up and down

in the period since we started tracking this data - as shown in table 1 - the latest figures represent the highest number of total donations in any one year, but the lowest total value since we started collecting this data in 2006/07.

Year	Number of donations worth £1m+	Total value of donations worth £1m+	Real-term value of donations worth £1m+
2006/07	193	£1.618 billion	£1.822 billion
2007/08	189	£1.405 billion	£1.522 billion
2008/09	201	£1.548 billion	£1.597 billion
2009/10	174	£1.312 billion	£1.373 billion
2010/11	232	£1.241 billion	£1.241 billion

Table 1: The number, value and real-term value of million pound donations from 2006/07-2010/11

### 2. The average size of million pound donations

The average (mean) value of a million pound donation (MPD) in 2010/11 was £5.3 million. This is the lowest mean value so far recorded. However, the mean can be a deceptive figure as it is influenced by outliers (the lowest and highest figures), and may this year have been 'dragged down' by the large number of 'first time' million pound donors who are likely to begin with a donation towards the bottom end of the scale that we research.

The median (the middle value when all are placed in ascending order) and the mode (the most frequent value) are generally viewed as more useful indicators of the 'average' size donation. As shown in table 2, in 2010/11 the median maintains its value at £2 million, as was the case in most preceding years (with the exception of 2007/08 when it was slightly lower), and the mode remains £1 million, as it is every year.

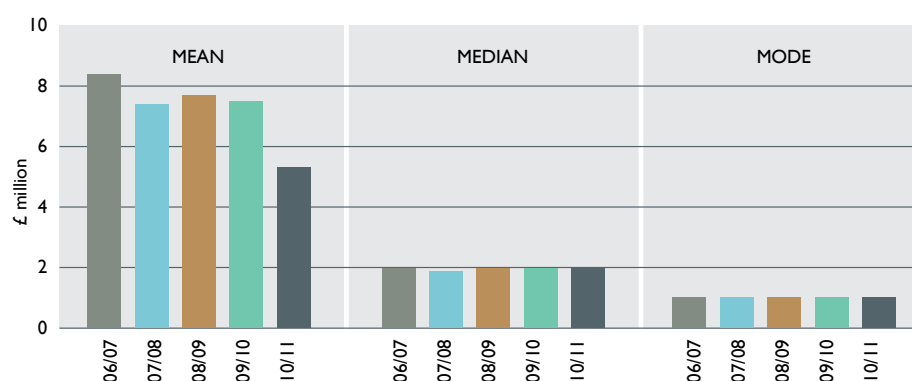


Table 2: The average size of million pound donations from 2006/07-2010/11

### 3. The source of million pound donations

Some individual and institutional donors (charitable trusts and foundations or corporations) made more than one donation worth £1 million or more in 2010/11. Therefore a total of 130 different million pound donors were identified, which is substantially more than the 73 different individual donors identified in 2009/10.

The different sources of million pound donations (MPDs) are shown in figure 1. Over half (58%) of all MPDs were made by individuals, either directly or through a personal charitable trust or foundation. The use of formal vehicles for giving dropped slightly, with less than half of the individual MPDs made via trusts and foundations.

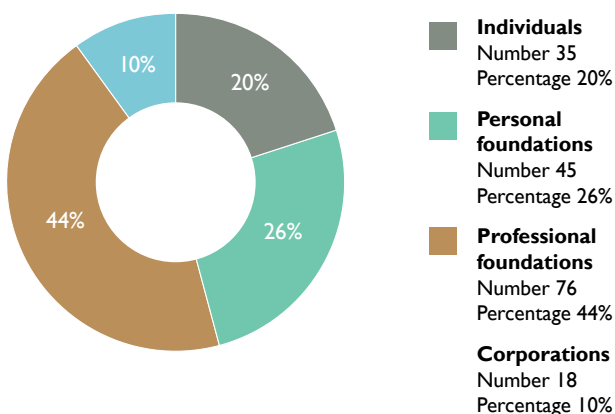
The total value of the donations made by individuals (again, made either as individuals or via personal foundations) was over three quarters of a billion pounds (£763 million). Individuals therefore remain the most significant source of these biggest charitable gifts,

accounting for 61% of the total value of million pound donations (£1.24 billion) made in 2010/11.

Professional foundations (defined as those where the founder is no longer alive to direct the flow of grants) are responsible for a smaller share of these largest gifts than in previous years. In 2010/11, only 26% of donations worth £1 million or more came from this source, compared to 44% in 2009/10.

Corporations (including direct charitable contributions from companies and those made via corporate foundations) account for a larger share of the percentage of MPDs than in previous years. They are responsible for 16% of all donations worth £1 million or more in 2010/11, compared to around 10% in all previous years. However, as their average size is slightly lower than donations made by other types of donors, their value accounts for 13.5% of the total value of MPDs in 2010/11.

#### Type of donor 2009/2010



#### Type of donor 2010/2011

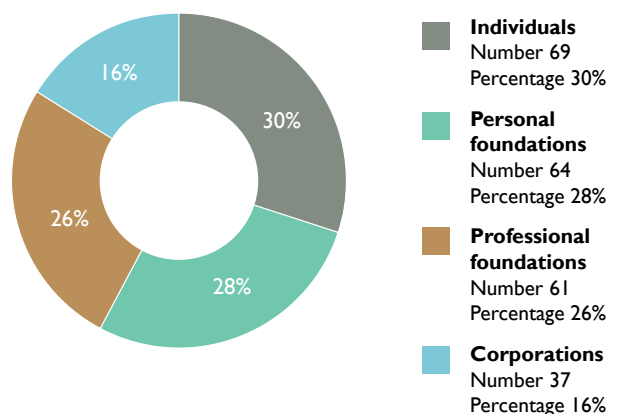


Figure 1: The source of million pound donations in 2009/10 and 2010/11

## | 02 | FINDINGS

### 4. The location of million pound donors

Collecting accurate data on the location of million pound donors is complicated by the fact that many wealthy individuals have more than one residence, and some institutional donors have more than one office. However, we have again sought to establish the 'main' address for each donor and found that individual and institutional donors based in London now account for well over half (62%) of all donations worth £1 million or more, up from 56% in 2009/10.

As figure 2 shows, every other region of the UK is responsible for a handful of million pound donations, apart from Wales, where – as last year – we again failed to identify any seven-figure sums from that part of the UK. Unsurprisingly, given its wealth and commuter-belt residents, the South East accounts for the next largest number of donations after London (14), followed by the North West and Scotland which both generated six such donations, closely followed by the North East and Midlands which each generated five.

This year sees a rise in the number of donations made to UK charities from outside the UK, with 12 international donations (seven of which are from the USA) compared to just five in 2009/10. The other donors based abroad come from Canada, Hong Kong, Kuwait and South Africa.

#### Location of donations 2010/11

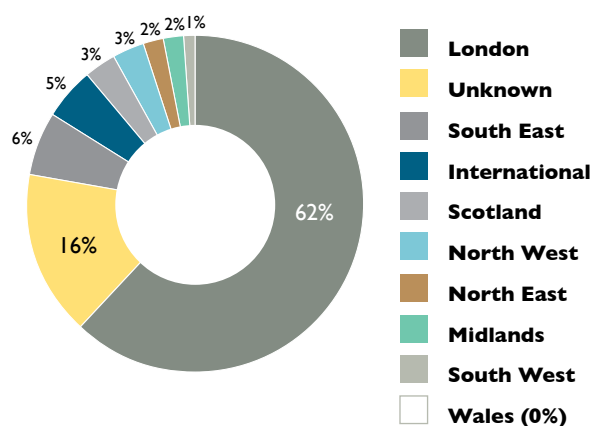


Figure 2: The location of million pound donors in 2010/11

### 5. The value of million pound donations

As in previous years, many of the donations tended to be towards the lower end, with almost half (49%) being worth up to £2m, as shown in figure 3. This is slightly higher than in previous years (for example in 2009/10 44% were for under £2m), perhaps indicating that the increased number of million pound donors includes people who are stretching themselves to seven-figures for the first time, and therefore giving at the lower end of what is possible.

However, this still means that the larger part of MPDs (51%) continue to be worth £2 million or more, including 13% that are worth £10m or more, and one nine-figure donation which, in common with all previously identified donations at this level, was put into a charitable foundation rather than given directly to a charitable organisation.

#### Value of donations 2010/11

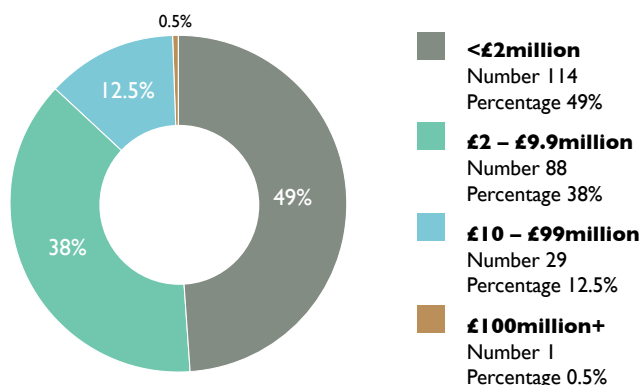


Figure 3: The value of million pound donations in 2010/11

## 6. Are million pound donations 'banked' or 'spent'?

In 2010/11 we found over half (60%) of the value of million pound donations went directly to front-line operating charities, whilst 40% was placed into charitable trusts and foundations for distribution to good causes at a later date.

Over the first three years that this data has been collected, we identified a trend towards putting money to work more quickly rather than building up charitable endowments, as larger and larger percentages were 'spent' rather than 'banked'. In 2009/10 there was a shift in the other direction, with 52% put into foundations, but as table 3 shows, the most recent data indicates that the longer-term trend is towards getting philanthropic money out onto the front-line.

Year	Amount 'banked' in foundations	Amount 'spent' directly on charitable beneficiaries
2006/07	£913m (56%)	£705m (44%)
2007/08	£597m (42%)	£808m (58%)
2008/09	£550m (36%)	£998m (64%)
2009/10	£681m (52%)	£631m (48%)
2010/11	£494m (40%)	£747m (60%)

Table 3: The distribution of 'banked' and 'spent' million pound donations from 2006/07 – 2010/11

## 7. The recipients of million pound donations

A total of 191 organisations were recipients of million pound donations in 2010/11 – far higher than the 154 recipients identified in 2009/10. The 191 organisations include both operating charities and charitable trusts and foundations. The vast majority (166) received only one donation worth £1 million or more. Organisations that received multiple million pound donations are primarily

well-known universities or national arts and cultural organisations, but a hospital, an environmental organisation and a cancer research charity also received more than one seven-figure plus donation.

The only organisations in need of 'two hands' to count their million pound donations are the universities of Oxford and Cambridge.

Number of million pound gifts received	Number of organisations receiving this many million pound donations in 2010/11
1	166
2	20
3	0
4	3
5	0
6	1
7	0
8	1

Table 4: The recipients of million pound donations in 2010/11

## | 02 | FINDINGS

### 8. The distribution of all million pound donations

As in almost every year that this study has been conducted, the most common destination for million pound donations is trusts and foundations, where they await further distribution to charitable causes. 40% of the value of all MPDs went into trusts and foundations, which bodes well for the future as the money is irrevocably committed to be spent on good causes in years to come.

Again consistent with previous years, Higher Education is the second most popular destination for MPDs, and once money 'banked' into foundations is removed from the calculation, universities receive over half (54%) of the value of seven-figure plus philanthropy.

In previous reports we have noted a number of reasons for the enduring popularity of higher education amongst million pound donors. These include:

- The fact that universities are all multi-million pound organisations, and are therefore capable of handling seven-figure donations, unlike the vast majority of charities, which have annual turnovers of well under £1 million.
- The long period of existence of many universities, notably Oxford and Cambridge, which is reassuring to donors wishing to establish a project with a long life-span.
- The fact that universities offer a huge variety of opportunities to donors – from supporting cutting-edge scientific research, to developing medical advances which may have global impact, to providing scholarships for deprived students – thus donations to higher education may, in the donor's mind, be more akin to donations to health, overseas development or welfare causes.
- The existence of a government-funded matched funding scheme from 2008-11 that incentivised donors to contribute to UK universities.
- Increased professionalisation of university fundraising departments, which received investment and training as part of the matched funding scheme.

- The existence of alumni as an existing base of potential supporters with a personal connection to the institution, who can be approached for donations.

Arts and cultural causes are the third most popular destination for MPDs, receiving a larger number of donations than in previous years. This may change further in the future as a result of the government's £55 million matched funding scheme to build endowments in the cultural sector, which was launched in July 2011 to kick-start fundraising efforts across that sector.

According to Philip Spedding, Director of Arts & Business:

*"The cultural landscape in the UK, as in the US, has been hugely shaped by individuals who, over the centuries, have made major gifts either to support artistic work or the capital infrastructure in which the arts operate. Clearly the current government is keen to see philanthropy play an even greater role in supporting the cultural sector today - and the programmes that they and the Arts Council have developed to encourage this are going to play an important role. The challenge comes in encouraging philanthropy whilst cutting public funding of culture, because donors do not like their support to be seen as an alternative to public funding."*

International development received almost twice as much support in 2010/11 as it did in 2009/10, which is probably due to the response to the Haiti earthquake that occurred in January 2010. This type of year-on-year adjustment in the distribution of mega-philanthropy shows how responsive donors are to the changing context in which they operate.

All other charitable sub-sectors received less than 10% of the total value of MPDs, but all types of causes can continue to count on some support from the UK's biggest donors. Changes at this lower level include an increase in support for environmental issues, up from £13m in 2009/10 to £18m in 2010/11, despite the overall drop, which means this cause more than doubled its percentage share of the total value, from 1% to 2.5%.

Subsector	No. of MPDs	Total value to this subsector	Mean value	% of total value	% of total value of 'spent' donations
Foundations	60	£494m	£8.2m	40%	-
Higher education	57	£405m	£7.1m	33%	54%
Arts and culture	30	£109m	£3.6m	8.8%	14.5%
International development <sup>1</sup>	25	£101m	£4.0m	8%	14%
Health	17	£38m	£2.2m	3%	5%
Environment and animals	9	£23m	£2.5m	1.8%	3%
Human services and welfare	11	£18m	£1.6m	1.5%	2.5%
Other public service benefit	3	£17.5m	£5.8m	1%	2%
Overseas <sup>2</sup>	10	£17m	£1.7m	1.4%	2.5%
Education (not universities)	8	£14.5m	£1.8m	1.2%	2%
Religious organisations and causes	2	£4m	£2m	0.3%	0.5%
All	232	£1.241bn	£5.3m	100%	100%

Table 5: The distribution of all million pound donations in 2010/11

<sup>1</sup> 'International Development' refers to poverty-alleviating activity in developing countries

<sup>2</sup> 'Overseas' refers to charitable activity in countries outside the UK other than that classified as international development, for example donations to schools and hospitals in Israel



## | 02 | FINDINGS

### 9. The distribution of million pound donations made by individuals

In 2010/11 we identified 133 donations made by individuals, either directly or through a personal charitable trust or foundation. As some individuals made more than one donation of this size, we identified 93 different individual ‘million pound donors’.

This is the highest number of individual donors noted since this report began. However the total value of donations made by individual donors is similar to last year, at £763 million, because the average (mean) amounts given have fallen from £9.8 million in 2009/10 to £5.7 million in 2010/11.

The distribution of money to different charitable sub-sectors is similar to previous years. As usual, the most common destination of donations made by individuals is into charitable trusts and foundations for distribution at a later date. However, a smaller share was ‘banked’ in 2010/11 than in previous years – only 48% compared to 52% in the preceding year.

Once foundations are excluded, Higher Education is - as in almost every year - the most favoured cause for individual donors. Reasons for this choice are discussed in detail above.

Arts and Culture is the next most popular cause, up from £60 million in 2009/10 to £77 million in 2010/11.

International Development is another familiar cause in the top rungs of the table, but Health – which is normally amongst the top five destinations, drops below Environment and Other Public Service Benefit organisations (which includes support for think tanks and public service media bodies) for the first time.

Commenting on this finding, Jon Cracknell, Director, Goldsmith Family Philanthropy, and member of the steering group of the Environmental Funders Network, said:

*“As climate change and other environmental issues impact more and more on our daily lives, it is encouraging to see the number of £1 million plus donations to environmental causes rising, with a younger generation of donors and trustees often to the fore. However, there is clearly still some way to go before environmental grants become a priority amongst our biggest donors.”*

3 ‘International Development’ refers to poverty-alleviating activity in developing countries

4 ‘Overseas’ refers to charitable activity in countries outside the UK other than that classified as international development, for example donations to schools and hospitals in Israel

Subsector	No of MPDs	Total value to this subsector	Mean value	% of total value	% of total value of ‘spent’ donations
Foundations	38	£368m	£9.7m	48%	-
Higher education	23	£181.5m	£7.9m	24%	46%
Arts and culture	20	£77m	£3.9m	10%	19.5%
International development <sup>3</sup>	15	£57m	£3.8m	7.5%	14.5%
Other public service benefit	3	£18m	£6m	2.5%	4.5%
Environment and animals	6	£15m	£2.5m	2%	4%
Health	9	£14.5m	£1.6m	2%	3.5%
Education (not universities)	8	£14.5m	£1.8m	2%	3.5%
Overseas <sup>4</sup>	6	£11m	£1.8m	1.5%	3%
Human services and welfare	5	£6.5m	£1.3m	0.5%	1.5%
All	133	£763m	£5.7m	100%	100%

Table 6: The distribution of million pound donations made by individuals in 2010/11

## | 03 | DISCUSSION

The findings presented on the previous pages raise some interesting and important issues. This section discusses the following four themes and questions:

### **1. The importance of an expanded pool of million pound donors**

### **2. The continuing importance of and changing context for philanthropy**

### **3. What is philanthropy for in contemporary society?**

### **4. Encouraging more philanthropy**

While this report focuses on the UK, to contextualise the contribution of million pound donors it is also worth considering broader trends in philanthropic and charitable giving in 2010/11.

#### **Broader trends in philanthropic and charitable giving in 2010/11**

The UK Giving report, produced by the National Council for Voluntary Organisations (NCVO) and the Charities Aid Foundation (CAF), surveys the giving of 'ordinary' donors, who give on average around £30 a month. This study found that general charitable giving did not increase between 2009/10 and 2010/11, totalling £11 billion in real terms in each of these years. This remains lower than the peak total of £11.3 billion identified in 2007/08, which is the period just before the onset of the recent recession that is still causing such widespread difficulties.

The findings in the Sunday Times Rich List 2011 are consistent with those presented in this report, showing both a decrease in the total value of charitable donations at the same time as showing an increase in the number of the wealthiest individuals and families who are giving away substantial sums.

Citing the impact of the financial crisis as the reason for the £818 million drop in donations from the top 100 philanthropists identified in their list, the Sunday Times also writes of, "a growing recognition of the importance of philanthropy in these difficult times", noting also that, "the top 30 philanthropists in the [Sunday Times Rich] list gave away a bigger proportion of their wealth, donating at least 3.42% compared to 3.22% in the previous year."

Looking internationally, findings from the Million Dollar List collated by the Center on Philanthropy at Indiana University also show consistencies with our data. For example, more gifts are given at the lower end of what is possible (\$5 million or below) than the 'mega-gifts' of up to 11-figures, such as the donations totalling c\$30 billion from each of Bill Gates and Warren Buffet that captured so much media attention.

In the US, as in the UK, individuals account for the biggest proportion of gifts worth \$1 million or more as their average gift size tends to be much higher than donations made by institutional donors (charitable trusts and foundations and corporations). The distribution of million dollar donations is also in line with million pound donations, with around half the money being 'banked' into foundations for distribution at a later date, and Higher Education being the most popular destination for donations that are 'spent' directly on charitable activity.

Finally, in terms of the number of donors and value of donations, the US data also follows a similar pattern to the UK, showing an increase in the number of individual donors from 2009 to 2010 (from 455 to 605) yet a decrease in the value of their donations (from \$4.97 billion to \$4.44 billion).

Commenting on our findings, Una Osili who is director of research of the Center on Philanthropy at Indiana University, says:

*"In the US, on average, million dollar-plus gifts by individuals tend to be for significantly larger dollar amounts than gifts by foundations and corporations. US individuals also give mega-gifts of \$50 million or more at disproportionately higher levels than the other donor types."*

*"As in the UK, the most common subsector for million dollar gifts is Higher Education, but in contrast to the UK, Health and Public and Society Benefit Organisations are the next most popular subsectors. This contrasting focus is particularly interesting given the rising visibility of the philanthropic sector, globally."*

## | 03 | DISCUSSION

### **I. The importance of an expanded pool of million pound donors**

Most importantly, the rise in the number of million pound donors from around 200 in each of the four preceding reports, to 232 in this report, is a very welcome development. As Adrian Sargeant, Robert F Hartsook Professor of Fundraising at Indiana University notes,

*“It is positive that a larger number of donors have stretched themselves to make a seven-figure gift, because having demonstrated their support for an organisation at this level it is likely they will continue offering significant support in the future”.*

Whilst this rise in the number of donations was not accompanied by a rise in their combined value, Professor Sargeant also notes,

*“This finding is what you’d expect at this point in time as we are coming out of a recession. People are giving again, but at a lower level as their confidence has not yet fully returned. Provided there are no economic catastrophes around the corner, we should see the total value of these biggest donations climb in the years to come.”*

A larger number of donors giving at this level is important, despite the lack of an accompanying increase in the total value of these larger donations, because an increase in the number of donors indicates that more people are inspired to use their private wealth for public benefit. They are aware of the needs that exist and feel they have a duty and a capacity to help meet those needs. Furthermore, a bigger donor pool increases the likelihood that the widest possible range of causes will attract some support from major donors, whose philanthropic decisions will become ever more wide-ranging in terms of activity, geography and type of beneficiary.

Whilst the data presented in this report refers to the financial year 2010/11, we cannot let the 2012 edition pass without some mention of the proposal in the 2012 Budget to cap charity tax reliefs at £50,000 or 25% of income. This proposal was dropped after eight weeks of campaigning by a coalition of philanthropists and charity leaders. The debate not only highlighted the existence of tax relief for those that give to charity, but it also generated a public debate about the role of philanthropy in today’s society.

## 2. The continuing importance of and changing context for philanthropy

By many measures in the UK we live in an era of unparalleled affluence, which may raise questions about the ongoing need and purpose of philanthropy in the contemporary era. The idea of philanthropy is strongly associated with the period of industrialisation and the contribution of Victorian philanthropists such as Andrew Carnegie, Joseph Rowntree and Angela Burdett-Coutts. And while the motivations and ambitions for philanthropy among the great 19th century philanthropists continue to inspire contemporary givers, today's context is clearly radically different, which presents many challenges and opportunities for philanthropy.

**“Philanthropy exists because of two truths about the human condition: things often go wrong and things could always be better. The philanthropic tradition is the history of the response to these two facts”<sup>5</sup>.**

Civil society in the UK is incredibly vibrant and diverse, with communities benefiting from the many thousands of charitable organisations, social enterprises, faith-based organisations, social movements, cooperatives and mutuals. Yet despite our relative affluence and apparent strength of civil society, there are signs for concern. For example, approximately a fifth of the UK population is below the low-income threshold with many families struggling to make ends meet<sup>6</sup>. In a time of austerity, it also appears that the nature of the ‘social contract’ between the state, business, civil society and individuals is also changing as the state struggles to meet the needs of all who may require its support.

## 3. What is philanthropy for in contemporary society?

Fundamentally, civil society organisations, which touch the lives of all of us at some point or another, will continue to play a critical role in enriching our society, culture and democracy. Many such organisations are dependent on philanthropy to succeed.

Whilst philanthropy permeates every aspect of life in contemporary society, the following purposes seem to stand out:

- Providing the risk capital to innovate solutions to society's problems, such as the development of new models of care, new models for education or more sustainable models of energy or food production.
- Supporting organisations that work with the most vulnerable and that help break cycles of poverty.
- Supporting organisations that influence policy and practice on the part of all sectors (state, business and civil society organisations).
- Supporting activity that enriches our democracy and that engages people in decision-making processes.
- Supporting activity that strengthens community resilience and cohesion, and improves the environment in which we live.
- Supporting organisations that enrich our culture and provide a source of entertainment or recreation, including the arts.

And while the above discussion has focused on the need for philanthropy in the UK, the findings of this and past reports illustrate that a significant proportion of philanthropic resources supports civil society activity outside of the UK where, some may argue, the ‘need’ for philanthropy may be even more significant.

<sup>5</sup> This quote is from ‘Understanding Philanthropy: Its meaning and mission’ by Michael Moody and Robert Payton, published in 2008.

<sup>6</sup> Department of Work and Pensions, June 2012, [http://statistics.dwp.gov.uk/asd/hbai/hbai2011/pdf\\_files/first\\_release\\_1011.pdf](http://statistics.dwp.gov.uk/asd/hbai/hbai2011/pdf_files/first_release_1011.pdf)

## | 03 | DISCUSSION

For all these reasons, it is important that there continues to be a positive environment for philanthropy to develop and flourish in the UK. The reaction to the proposed cap on tax relief for charitable giving suggests that it is important for key stakeholders (including philanthropic organisations, government and civil society organisations) to periodically revisit and articulate what the key characteristics of an enabling environment are. Such a review should include, and look beyond, any financial incentives.

Equally, as Matthew Bowcock, Chairman, Community Foundation Network and philanthropist says:

*“Philanthropists should expect that they will come under increasing scrutiny and pressure to justify the public benefits that their giving delivers in return for tax reliefs. In any future debate, philanthropy must find better ways to argue its value by presenting the benefits that it brings to society.”*

### 4. Encouraging more philanthropy

During 2012 a number of major initiatives aimed at inspiring and celebrating philanthropy in the UK have been announced and received the backing of major philanthropists. These initiatives called for action in response to the growing need in communities, among charities serving the vulnerable and poor.

One such initiative is the ‘Give More’ campaign, funded by the Pears Foundation with support from a number of individuals and other organisations and chaired by Trevor Pears CMG, executive chair of Pears Foundation. Pears says:

*“The fact is, need in our communities is going up while resource is going down. Give More has a very simple purpose – to celebrate the UK’s long heritage as a giving nation and encourage members of the public to pledge to give more in 2012.”*

A further initiative, funded by the Esmée Fairbairn Foundation, is called ‘The Philanthropy Fellowship’. It aims to establish a network of community philanthropists and inspire a greater culture of philanthropy in the UK by convening and supporting people who:

- Have purpose and passion and want to make a meaningful contribution by giving their skills, time and financial resources.
- Want to connect to their communities and address some of the most pressing social needs.
- Want to share, learn and experience how to be effective lifetime philanthropists.
- Want to achieve measurable results and impact from their giving.
- Have a desire to create communities of lifelong, informed and inspired philanthropists.

A third initiative was focused on the UK’s largest city, London, but raised the bar for the power of all local media in raising awareness of need and encouraging a generous local response. The Evening Standard Dispossessed Fund won plaudits from the Charity Awards and the Big Lottery Fund, not only for raising £7.2 million, but also for raising the profile of the issue of poverty in the capital.

A further initiative launched during 2012 is the Rainmaker Foundation, which seeks to inspire generosity by highlighting and supporting the work of philanthropists and other inspirational people who are changing the world for the better.

The premise of all the initiatives described above is that there remains untapped potential for more people to become more enthusiastic and committed philanthropists if there exists a positive environment in which philanthropy can flourish.

## | 04 | CONCLUSION

*There has been a significant increase in the number of million pound donations. In 2010/11 we identified 232 separate donations worth £1 million or more, made by UK donors or given to UK-based charities. This is the largest number we have found in any one year since this study began in 2008; a notable increase on the previous largest number of 201 million pound donations identified in 2008/09.*

This report describes and discusses data from the financial year 2010/11. It documents all that we have been able to learn about million pound donations made in the UK, or to UK charities, in that year. As we have noted in every edition of this report, we are aware that our data is likely to under-estimate the true value of this largest level of philanthropy because some donations are given anonymously and there are others that, for various reasons, do not appear in an identifiable form on the public record.

It is therefore as a conservative estimate that we claim there were 232 donations worth £1 million or more, made in 2010/11 with a combined value of £1.24 billion. This is a significant increase in the number of donations as compared to all previous years we have collected this data, and a slight decrease in the total value of these 'million pound donations'.

In the discussion section of this report we noted that the expansion of the number of donors making contributions at the £1 million plus level is a very welcome development, which bodes well for future support at this level. Its continuing growth will depend on macro-factors, such as the recovery of the world economy, as well as on micro-

factors such as philanthropists feeling confident that their contributions are valued and are making a quantifiable impact.

The seven case studies in this report – four of million pound donors and three of million pound recipients – complement the data on trends in the quantity, nature and distribution of million pound donations. These first-person accounts of the act of giving and receiving at this highest level are rich in detail that is useful for everyone striving to understand philanthropy in the UK. The insights they provide into the minds and motives of major donors are fascinating, and we urge readers to focus on them as much as on the headline figures that tend to dominate media coverage of this report.

We hope that this fifth report on the incidence, scale and distribution of million pound donations will encourage potential donors to reflect on their capacity to give, to consider which causes or communities might benefit from their support and to begin to formulate a structure for their giving. We also hope it will prove useful to policymakers developing new initiatives to encourage major philanthropy; and that it will help fundraisers to develop their relationships with people who have the capacity to make million pound donations, by giving an insight into the experience of donors who have the capacity to make the biggest gifts.

Finally, we hope that this report continues to fill an important gap in our collective knowledge about major donations and that it stimulates useful discussions. We appreciate feedback from all readers - donors, fundraisers, policy makers or others who care about the future of philanthropy in the UK - and we promise to take on board all comments so that future editions can be even more comprehensive and useful. Please email feedback to [philanthropy@coutts.com](mailto:philanthropy@coutts.com)







## DONOR CASE STUDY: FRAN PERRIN



**Fran Perrin is founder and trustee, together with her husband William, of the Indigo Trust, which is one of The Sainsbury Family Charitable Trusts. The Trust has assets of over £7 million and funds technology-driven projects to bring about social change, largely in African countries, by focusing mainly on innovation, transparency and citizen empowerment.**

“Very unusually, I grew up with an early awareness of philanthropy as the wider family has eighteen charitable trusts and foundations, so from a young age I had a sense of the importance of giving. As a teenager I wasn’t actively involved in the family foundations, but I was aware of my parents’ values and that had a huge impact. It was always clear to me that giving was a responsibility.

I was just starting at University when I set up the Indigo Trust so I didn’t have a very clear focus or a strategy on how I wanted to make an impact. Getting Indigo up and running quickly was greatly helped by the excellent administrative office shared by all the Sainsbury family foundations. This gave me access to a superb range of professionals with skills in policy, research, grant making and the technicalities of charity law. As I was funding Indigo myself I did not have to fundraise, but realised I needed to understand the grantee perspective. So I volunteered with several charities who have to fight a constant fundraising battle - it is very important that philanthropists see the other side of grant making.

From the start I was attracted to issues and causes that find it harder to produce glossy appeals – I’ve always been attracted to things where it’s harder to raise money, or for core budget items. The temptation for funders can be just to fund the interesting project - but if you trust the charity and their approach then building capacity and sustainability in that charity through a developing relationship can have huge long term benefits.

Initially I was quite reactive - there are so many problems and extraordinary charities tackling them that I struggled to find focus and just responded to proposals that we received. I started to become frustrated that my approach was too scattergun and I struggled to predict which grants would be successful and why. I realised that in my professional life, working in the civil service and in policy think tanks I’d always trained or studied for every job I’d ever done. That’s what I needed to do to be a strategic philanthropist. I wanted it to be more than just a hobby, so I decided to stop making grants (though we honoured all our existing commitments) and not to continue until I had

a clear strategy. It’s taken me time to learn to be more strategic and to focus on one sector, but now I can be more of an informed donor and hopefully have a deeper impact.

As a result of attending The Philanthropy Workshop, run by the Institute for Philanthropy, I realised that what I really care about - and what I’m really interested in - is the use of information technology for transparency and social change. I was inspired by reading the mission statements of major donors like the Omidyar Network and that informed my own emerging strategy.

I didn’t want to repeat past mistakes, so I began with a two-year strategy making lots of micro-grants in different areas and fields, before evaluating what worked best. I wanted to find out things like: were we more effective in Kenya than in Ghana? Was core funding or project funding more effective? What had the most impact? And what was the most satisfying? – And I do think that last point is important for donors. We’re three-quarters of the way through that process now, and we’re still giving fairly small grants. Our average grant size is £10,000, with an annual budget of £750,000, so we’re working with a lot of organisations! We’re starting to get a really good sense of where we can have the most impact, who we will fund at a higher level and who we might recommend on to other funders.

It feels so exciting to be finally making the right grants, particularly because we’re proving that the strategy works and that funding at this level is still valuable. We work with a lot of very small organisations so this can be a very big bit of their budget. We also had a sense about technology and innovation in Africa, that it was worth fostering a tech-y, grassroots industry that would have a lot of positive offshoots. For example, we fund innovation hubs in Kenya, Nigeria and Uganda, which support and mentor a lot of transparency and anti-corruption projects. We thought this would work, though we knew it was quite high-risk, but the evidence suggests that it is working very well, and that’s very satisfying.

For me, philanthropy is an opportunity to support social change and innovation. I’m always very clear that the ideas and the change don’t come from me - I’m just fortunate enough to support some extraordinary individuals and projects. At the Indigo Trust we believe that if people are supported to access, create and share information then they will be able to make a positive change to their lives and communities.

## CASE STUDY CONTINUED: FRAN PERRIN

Some of my favourite grants include supporting a lone programmer in Nigeria to build an app (an IT application), which gives lawyers access to the Nigerian constitution on their phone, now downloaded over 350,000 times. We also fund a brilliant project called iCow, which uses text messages to give agricultural advice to dairy farmers in Kenya, because even subsistence farmers in Kenya are likely to have a basic mobile phone. Getting fast, accurate information about cows' fertility and what diseases are going round in the area, as well as getting good market information, has had a proven impact on the income of these farmers.

Using our grants as leverage for the organisations we support into larger funding is an important goal for us. We consider it a great success when projects graduate on to bigger funders. We're quite small and nimble and we're happy to take quite high levels of risk, and act as a pathfinder, so we'll fund organisations in their very early stages and we are happy to invest in people who are not incorporated. We manage our risk profile by investing quite small amounts in large numbers of projects. Our involvement can serve as an important part of due diligence for bigger funders and also helps grow the organisations until they can handle and absorb greater levels of funding. The community of donors that fund tech projects in Africa is quite small, so we can all talk to each other and share knowledge.

We don't have a formal application procedure. We have two members of staff, including an African specialist, who go out to meet people working in this field, then we sift through the different leads back in the UK and start to invite proposals for projects we might fund. We fund projects with good networks whose managers communicate in the online world - this makes it easier to find them and keep track of what they are doing. Also, it's a very international community, so the best coders in Kenya may know the best coders in Ghana.

We build our relationships by working closely with grantees on their proposals. We have a discussion with them to find out what it is that they most need, how best we can support them, what's new and what's exciting, so hopefully by the time the proposal comes in we have a pretty good idea of whether it's going to get funded or not.

We always start off very informally, and have a lot of conversations on Skype and Twitter. We often find that it takes time to get through an 'honesty barrier' because people who need funding often think they have to sell us

an all-singing, all-dancing proposal, but after a while they understand that's not what we're about. They realise it's ok to tell us honestly that there's only two of them, that they're doing it in their spare time and that we would be their first funder - that's fine so long as they have the skills and experience appropriate for the project. Once they know they can just tell us what they need, then we try to keep that level of honesty, so a grantee can come back to us and say 'we realised we needed to spend that money on something else' or 'we've lost a key member of staff so can we hold the money until next year?' - and that's fine. So long as they tell us, we can be really flexible and re-allocate the money as needed. It can be hard to reach that level of honesty between grant-maker and grantees, but I think it's about the nature of the communication - being informal and not having too many gatekeepers. It also helps that as a practitioner I can read an IT-based proposal and say 'It just doesn't cost that much - can't you spend the money on more important but less sexy things!?' NGOs may be reluctant to ask for a marketing budget, for example, but if you want to raise public awareness about an anti-corruption tool then it's essential.

Impact measurement is extremely important to us - I believe too much international aid is wasted. But it has to be kept in proportion when working with small projects. Tracking impact in transparency and anti-corruption can be difficult - it can be hard to prove the causal impact back to one website or charity. But we always find metrics for success and may use proxy measures to help us assess impact.

When the grants are relatively small, however, it's simply not fair to have a very high level of evaluation and expectations of constant feedback. As the size of the grant grows we do expect more, but we still try to keep processes relatively informal - it's ok to just drop us an email and let us know how it's going. We also ask all our grantees to blog for us - that's part of our commitment to being totally transparent. Our blog <http://indigostrust.wordpress.com> (which is a quite simple free blog in wordpress.com) has rapidly become a large repository of practice and expertise in our small emerging field.

We believe in open data so that people can find out who is funding whom, and we hope there'll be more transparency and data sharing in future, to help save a lot of money being wasted on duplication. The Indigo Trust publishes details of all the grants we award both on our blog and via the International Aid Transparency Initiative. This not only



offers a way to raise the profile of our grantees and their projects, but also allows for greater coordination of aid efforts, thereby improving aid effectiveness.

If I was asked to advise someone else starting out in philanthropy, I would say: find out what you are passionate about and really work out why you want to tackle that particular problem. As a donor it's too easy just to respond to requests, but you need to ask yourself: why this and not something else? There's an endless list of problems – locally, nationally and internationally – and almost all of them are worthy problems to tackle. But in most areas all I can give is money, for example I can't tell the difference between a really good malaria project and a really bad one. I could bring in lots of advisors but I couldn't personally contribute much more than signing a cheque, and I didn't want to do that. If you want to keep personal control over your funding decisions then you need to pick something that you know about, otherwise you'd be better off giving it all away to a funder who does have that specialist knowledge.

I would also say; allow yourself time to experiment, don't think you have to have a perfect strategy on day one, but try

and end up with a strategy and a focus. Decide how involved you want to be - does it really matter whether you meet every grantee, or are you more comfortable working with intermediaries? And decide what your risk threshold is – are you really excited when it's very risky and might fail or do you want to know that every penny has gone to a project with proven results from day one? You just have to work out what's right for you. I think it's important to take your time, don't feel rushed – if you need help to learn how to read a budget or an investment report then ask for that training, people usually love to help. Finally, do try to meet other donors and talk to them about their experiences, because that will teach you a lot, even if it's just what not to do!

It is easier when you get to the stage where you can communicate about your work because you end up making great connections and finding interesting people, including fellow donors and people running projects that you might not otherwise have heard about. By talking about your philanthropic activities, and the excitement and pleasure they bring, hopefully you can encourage others to become donors.”

## DONOR CASE STUDY: GEORGE KOUKIS



**George Koukis is a Greek-born, London-based, self-made entrepreneur. His company, Temenos, is the worldwide leader in banking software.**

“Long before I created my wealth I started giving. My wife and I have been doing philanthropy for 45 years because we always instinctively cared about the people next to us. I bought a bankrupt company in 1993 and it has done very well, so that gave me the capacity to do a few more things.

I don't have unlimited resources, I can't help everyone, so the hardest thing to decide is: by what criteria do I assist one cause rather than another? It is my personal view that without a philosophical base you can never resolve anything properly in the long-term. The easiest approach is usually the most detrimental, and the hardest approach is always the most rewarding. So you have to look at issues philosophically to work out what to do and who to help. Having said that, the only yardstick that I can ultimately use to judge my philanthropic decisions is the tingling sensation I get in my body, which means: that is what I need to do.

I support a number of different causes - including ethical leadership, schools in Africa and classical music - but the majority of my funding is for medical research through support for St Thomas' Hospital in London and for Arthritis Research UK.

I have supported St Thomas' for many years because they have wonderful staff who have an absolute commitment to making life better for their patients. We have been funding their lupus unit for a number of years – I don't know anyone personally who has lupus, but I met the doctor in charge of the unit and I wanted to support him so I made gifts to help pay for extra colleagues to share his workload, and to modernise the systems used in the unit. I have also funded a genome mapping project to investigate why lupus develops in some women and not others, and I am quietly confident that some useful new knowledge will come out of it. Recently I decided to help set up a new Paediatric Rheumatology Service at the Evelina Children's Hospital, which is part of St Thomas'. The first five years of this gift will amount to almost £2 million, and we will continue the payments indefinitely.

My other main commitment is to Arthritis Research UK (ARUK), I have contributed more than £3 million so far. One of my daughters has had rheumatoid arthritis since she was four years old. At that time I did not understand much

about the disease, except that it is cruel and horrible, and I have watched her courageously battling pain with a lack of quality of life. Therefore, from the hundreds of fields that need funding for research, I have directed myself to this disease. We want to encourage doctors to specialise in this area because even though it is probably too late to help my daughter, at least we can hopefully help other young people look forward to a normal life doing the things that arthritic children dream of, whether it's playing sport or having children.

The medical director of ARUK, Professor Alan Silman, is a wonderful man. He is so knowledgeable yet down to earth and it's always a pleasure dealing with him. He is more demanding than me about using the donations well! I like his style and I trust his organisation. Our goal is the faster development of a vaccine to prevent this illness in the first place, rather than daily medication.

I want my money to be targeted and ideally to fund research because I want to prevent bad things happening in the first place, rather than paying for pills to treat them once they've happened. I'm motivated to find and tackle the roots of the problem but I'm not technically competent enough to choose between the different research projects seeking funding, so I need to give through ARUK who have the experts to help identify the right projects and advise where best to spend my money.

I do want to know how my money is being spent, but I don't want to waste the time of the professionals, so I don't accept all the meetings that they offer me! One meeting every three months is more than enough for me. My daughter also sits on some committees so we have good interactions with the doctors and the patients. I don't expect all my donations to be entirely successful. I get on a lot of aeroplanes and not every journey is smooth – there will be bumpy flights too. I know that there are no guarantees in life, whether it's business or philanthropy.

I've also funded two pilot programs teaching ethical leadership for people with aspirations to become leaders, through my company called 'A Dream for the World'. I have invested £1 million in a program of scholarships reserved to exceptional students from all nations who will learn how to overcome inner limits, nurture a sense of greatness and discover a true passion for freedom. They will also learn about making decisions that are good for everybody and sharing the rewards of that rather than doing it for money.



The other main organisation that I support is London's Classical Opera company founded by Ian Page some 14 years ago, which puts on world class performances of the works of Mozart and its contemporaries, using period instruments. I do not subscribe to any faith, and I don't give because I'm fearful of hell, but sometimes I think that god might exist because god created Mozart! Whilst Mozart is playing we are all united by beauty. It transcends the differences within the audience – there is no jealousy, no anger, we are all one whilst the music is playing. I also hope that the company, which financially supports young artists, might one day produce a new Mozart, a Callas or Pavarotti.

I believe in youth in a genuine way. Any worthwhile cause is good enough, whether it's education or hospitals to alleviate pain, but I'm keen to support children because they're our future. My philosophy is that I want to give my children, and their children, a better world than the one I inherited.

Life is very short, so we need to ask: 'What am I supposed to contribute during my time on this earth?' You have to be at equilibrium with yourself and have a philosophy, and decide what you want to do with your life, and how you're going to use your money. As many people have pointed out: money does not buy you happiness, and anyway I can only drive one car or eat one meal at a time. My existence is irrelevant, so I need to find a way to make it relevant.

There is so much to be done, there are a lot of things that are wrong in our society and there are a lot of difficulties in the world, for instance 1 billion people live in poverty. So, we need to try and make it better and if it doesn't work out, then at least we gave it a go. I know that my donations are just a drop in the ocean, but I enjoy spending my money in this way far more than accumulating real estate or wine.

You can always add another zero to your bank account - there is no limit to what you can accumulate but that is not what life is all about.

My wife and daughters are 100% behind my philanthropy. When I die, whoever is left behind will continue with the same ferocity and commitment. None of what we are doing today will stop – maybe they will do bigger and better things.

I would say to other people: do what you can do with what you have. Don't worry about what other people think, don't gloat about it, don't do philanthropy because you fear something or because you expect a reward, just do it because there is so much to be done. Wherever your inspiration comes from, whether it's religion or something else, philanthropy will bring you satisfaction in a way that spending the money on material things never can.

I would strongly suggest that if people have the time and the resources, then root out any negative thoughts and just try it by selecting a worthwhile project that will make a difference in other people's lives. Stay close to that project, get regular reports and enjoy seeing the effects your money is having.

I would also say: don't just write a cheque and disappear. If you get involved and are part of the process of improving things in a personal way, then I guarantee the rewards will be far greater than you ever imagined."



## DONOR CASE STUDY: LIZ AND TERRY BRAMALL



**Terry Bramall founded Keepmoat PLC, the market leader in building new and improved homes across the UK. After selling the company in 2007 he and his wife established the Liz and Terry Bramall Foundation with an endowment of £100 million.**

*Terry:* “Before we set up the foundation we’d always tried to support activities in the community in whatever way we could, for example we’d been supporting our church and music society for a number of years, so the concept of philanthropy was not new. We were both brought up in a very community-oriented way, with fathers who would do anything for anybody. We’d also read about philanthropy and we’d heard about other people who had contributed in this area.

I’ve never thought the environment in Britain, and particularly in South Yorkshire, particularly encouraged philanthropy. Things that were done privately, with private funding, were not as valued as things that were done by government, local authorities or councils. But despite those attitudes, you could look at the names and plaques on public buildings or chapels to see that philanthropists, especially from the Victorian era, had funded a lot of these buildings that we used, like the Carnegie libraries.

So philanthropy wasn’t alien to us, and when we sold our business it gave the moment and the opportunity to set up the foundation. The taxation benefits that were available after we’d sold out were generous, and enabled us to endow it with £100 million.”

*Liz:* “We discussed the idea of a family charitable trust with our two daughters and straight away they wanted to be part of it, so it is a family foundation. If it hadn’t gone into the foundation it would have gone to them, but they were more than happy and they’ve been enthusiastic ever since. We are all in it together. It’s great fun and we do enjoy it so much.

It was a joint decision as to where the money should go, and it’s all areas in which the four of us are interested. The charitable objects are: education, health, music, church, young people and in geographic areas where the money was made”.

*Terry:* “It doesn’t apply rigidly, we do have some national charities that we support, but in the main it feels pertinent to spend the money in this way.

It also seemed natural to put the emphasis on younger people because we wanted to invest in the future, and they

are more exposed to the vagaries of the world. We’ve also found that change comes quicker if you do it through younger people because they grow up so quickly. From my own experience, I went away to university at the age of 19 and by 25 I had a degree, was married, had a child and I was running a business. If you can help young people during that period when so many life-changing things are happening then I believe you can bring about real change quicker.

The Prince’s Trust gets our biggest annual donation of £1 million, which we’ve pledged to do for five years, because it’s such a natural fit with the objects of our foundation. We didn’t have any personal connection to the charity or anyone that they had helped. But it’s quite a well-known charity so we’d probably seen adverts and heard about their work. I’ve always been a big supporter of Prince Charles, I met him through my business a few times and I always found him to be a first class person, who does excellent work in some difficult areas.

The Princes Trust like us to be involved too, they give us reports – not too many, we don’t want too many reports! – but we get a good feel for what our donation is achieving. We know that our contribution has a ripple effect because each young person they help to set up in business will benefit their family by bringing in a wage and they might employ people one day, so then the benefits would reach even wider. They also leverage in government money because they are such good practitioners, so our money goes a long way with them.”

*Liz:* “We didn’t know anyone who’d been helped by The Princes Trust but sometimes we get involved with funding a charity for a personal reason. For example I have a disabled nephew who went to the Chickenshed, an inclusive theatre in north London for able-bodied and disabled children. He’s not there anymore but we still help them. I also had a sister with Downs Syndrome so we’ve supported Botton Village in North Yorkshire for a long time. My youngest daughter and I went over there recently and we found it is really well run by lovely people, so we increased our donation. I’m only sorry it took us so long to visit.”

*Terry:* “The biggest single donation we’ve made is to my old university, Birmingham, for a new music building. Like a lot of universities these days, they’re realising that not everything has to be funded by the government and that there is merit in working with their alumni. They must have noticed that I had sold my company so I got invited to

breakfast with the Vice Chancellor! I hadn't contributed anything before then but I went along and was introduced to their fundraising department – although I think they have a more subtle name for it! – and that began a relationship which coincided with their attempts to complete the historic Aston Webb semi-circle of buildings on campus. They'd already raised most of the funding and as I was in the building business I went in and said, as a bit of a joke really: "how much do you need to finish it so I can put my name on the building". They said, "that'd be £2 million" so I said, "fine!" and that was how the Bramall Music Building came about. I can't get over it; I'm still shaking when I talk about it. It's just incredible. Joking aside, we've done a lot of soul searching about how much to attach our name to the projects we fund, because it's in our nature to support in a more low key way. But in the end we've agreed to do it because we've been told that it helps so much in encouraging other donors. It's also partly to do with us only having daughters and because I have no brothers, it's a way of keeping the surname alive for a few more years."

*Liz:* "We did want to keep a low profile because we are fairly private people. There are a couple of times we've helped as a result of reading something in the paper. There was one where a charity was taking disadvantaged children on a Christmas trip. They'd been let down by a funder and we sent them a cheque for £10,000 so they could still go to Lapland. They sent a thank you letter that still brings tears to our eyes."

There's just one word to describe what philanthropy feels like: amazing. It is just a wonderful, wonderful feeling when we meet the people that we've been able to help. We met a young woman in Doncaster who'd been on drugs, she'd been as low as you can get, and now she is very successful. I really admire people who can come back from such depths."

*Terry:* "I know I couldn't have recovered like some of those young people have done. I couldn't have faced that challenge, and that's what I really admire. We were both blessed with good childhoods and now we want to bring hope to those young people who are not having that privilege."

We receive many applications and consider them all at our trustees meeting. We look at how worthy they are and how well they fit with our objects. It's not a precise science but if we feel they deserve support and we've got enough income left to distribute then we'll do it."

*Liz:* "We wouldn't normally visit charities that are only asking for a one-off donation of £5,000 or £10,000, but we do visit those we support on a regular basis or to whom we give larger amounts. The visits are partly about making funding decisions but we also get so much pleasure from seeing the results of our contributions."

*Terry:* "We do enjoy visiting the charities but we also feel some obligation to go as well. We're not just here to distribute money, even if that's what it looks like. We also need to help get the best performance from our contribution."

We could employ a staff to maintain contact with the charities but we don't want to go down that route. We're still learning how best to run a foundation but we knew from the start that we didn't want to found a new charity or start something that would employ people and have expensive administration costs. You only have to open your eyes and your ears to realise there are plenty of charities out there doing good work but need finance. We thought we could get much more immediate results by identifying charities that could deliver the outputs we wanted, and then our job is to monitor how the money is being spent. The foundation's income comes from the investments of the original principle, so we also have to manage the capital to get the highest return we can. We do now have two extra trustees to share the load, in addition to the four family members. And because of their professional expertise, they can advise us on legal and financial matters."

I don't think I've regretted any of the donations that we've made, and I couldn't pick out a favourite because I don't think of them being in a league table. I'm pleased with everything that we do, big and small. Whether it's the very emotionally rewarding response to that small donation to send the terminally ill young people to Lapland, or whether it's the statistics about how many people are being assisted and getting opportunities as a result of our donation to The Princes Trust. The rows of statistics are not so highly emotional but it's still very satisfying to see what we are helping to achieve."

I think we've done pretty well so far and I hope that the future holds more of the same. We will endeavour to become more and more expert at what we do. We will also be bringing on the next generations, our children and grandchildren, who we want to get involved. We do see it as a family enterprise."

*Liz:* "I'm so glad that we set up the foundation. There is a limit to how much money we need, so when we sold the



## CASE STUDY CONTINUED: LIZ AND TERRY BRAMALL

business and had that opportunity it was quite an easy decision to make. We've had so much pleasure choosing where the money is going. What's so lovely is having these experiences of visiting charities and meeting the people they help, because normally people don't give away money until they're dead. We are lucky to be able to give it away now. We end up being pretty busy, and we have to turn a lot of invitations down, but it's just lovely to see how it is helping."

*Terry:* "When I worked I enjoyed feeling useful by creating jobs and developing younger members of staff, and when the business was sold I thought there was no opportunity to do that kind of work any more. But the charitable foundation has given me a new medium for helping to develop other people in all kinds of ways."

I'd recommend doing philanthropy through a foundation. A real benefit of doing it that way is that it's now not our money - we don't have to think on a day-to-day basis whether or not to give some of our money away, because we've already made that decision. If every time an application came in, and I was thinking of it as being 'our money' then it would be a very different decision, and the vagaries of whether we said yes or no could be influenced by all kinds of things that had nothing to do with the charity. But now the money is in the foundation and that's it. Our role is now confined to managing that money and meeting the charitable objects that we set out. Whatever else happens in our lives, that money is sacrosanct and will be available for good works."

I'd also say that there's a lot of effort in going out to visit charities and learning about the things you want to support, so the bigger sum you can give away the better use that makes of your time. To people considering doing something similar I'd say: You'll have no regrets doing it."

*Liz:* "I feel so sorry for people who are mean because it's a sad life; if they can't give it away then they are missing out on living. You have to give and take, you need a balance."

*Terry:* "I love having fun - we always enjoyed ourselves in my business, but I feel a bit guilty about getting so much pleasure out of giving!"

## DONOR CASE STUDY: BARRIE WELLS



**Barrie Wells was born and raised in Liverpool and created his wealth in financial services. Since selling his second company, Premierline Direct, in 2006 he has focused on private investments but dedicates most of his time to running the Wells Sports Foundation which he founded in 2009.**

“My philanthropy began because I’d accumulated a relatively large sum of money from my business activities. By 2007 it was time to think about my will and how much to leave my children and that got me thinking about charity. I decided that I wanted to get the pleasure of giving it away to charities of my own choice in my own lifetime rather than leaving it to charities in my will. It sounds selfish but it was about me wanting to get the enjoyment out of giving it personally away.

I had given money in the past to a school in India and water projects in Africa but I’d never been out to see them and I realised I wanted a more direct relationship with the recipients, to be involved in how it was spent and to see first-hand the happiness it brings, which I knew would motivate me to give away more.

The idea for my philanthropy came to me whilst I was in Beijing watching the 2008 Olympics with my son Matthew. The plans evolved to thinking about 2012 coming up in the UK and how my money could help support elite athletes in need of extra support, whilst at the same time promoting grassroots sport around the country. So I started giving away between £400,000 and £500,000 each year.

In 2009 I picked out 20 young athletes who had a chance of getting to, and performing well at the 2012 Olympics. But I didn’t just hand over some cash, they had to come up with a business plan and explain how my money would help improve their performance. So for example I helped the young heptathlete Katarina Johnson-Thompson with travel because she was just 16 years old and had to get two buses each way to and from training carrying all the shoes for seven different events! When she turned 17 I paid for her driving lessons and helped her buy a car. Other athletes had different needs: I paid for the 800m runner Jenny Meadows to do altitude training in Africa, Jessica Ennis needed funds so that her physiotherapist could travel with her to competitions and the 400m hurdler Dai Greene wanted help to move from Swansea to Bath. So the support I gave was tailored to what they needed to contribute to their Olympic success. Part of the selection criteria was the chemistry between them and me because I’m not just a normal sponsor, I want to be part of their journey – I want

to watch them training, talk to their coaches and become part of their team, so we only come to an arrangement if they are happy with that.

Before I approached anyone I talked to the sports’ governing bodies to explain what I intended to do and they wrote a letter explaining that I was legitimate – I didn’t just turn up at their houses saying: “Hey, your problems are over!”

I usually paid up to £8,000 a year, but in some cases this could reach £20,000 when all the support services were costed in. I will continue funding athletes aiming for the Olympics in Brazil in 2016, but I can’t extend my support beyond 20 young people because there isn’t time to communicate with them in the way I want to.

I knew I wanted to combine support for elite and grassroots sport but it took some time for that second aspect to evolve. It was a bit unsophisticated at first, but eventually we worked out a deal where each athlete I fund gives six half days to promote the work of the foundation by going into schools. They give a talk to the whole school about the benefits of sport in terms of developing self-esteem, friendships and a positive approach to diet and body image, and they also do some training in their sport with smaller groups of kids. The school kids have to do some research about the athlete who is visiting them so they are actively engaged, because I wanted the school to put something in too and not just have an athlete turn up to do something passive like hand out prizes. So far we’ve been into 200 schools and talked to 35,000 children. A lot of similar schemes use retired athletes and the big advantage we have is that the kids can follow the person they’ve met because they’re still competing. I’ve read that the government is now thinking of doing something similar and asking people who receive UK Sport funding to go into schools!

The next stage is to support sports clubs, because exposing kids to a sport for one day isn’t enough – if they get interested in, say, pole vaulting then we want to help ensure there’s somewhere they can go to take up that sport.

The model I’ve set up of personal sponsorship for promising young athletes and swimmers could work in other areas. It doesn’t need to be athletics – it just needs a high net-worth person with an absolute passion for any subject. It could work for any sport and also for things like ballet and music, say where someone sponsors four musicians in an orchestra and in return they could go into schools and try to get the kids interested in classical music.

## CASE STUDY CONTINUED: BARRIE WELLS

I did start one scheme which did not go well, and I stopped it after nine months. I was offering up to £2,000 to local sports clubs who needed money to increase participation. I was hoping that clubs doing things like athletics, gymnastics and boxing would apply but in fact almost all the applications came from rugby, cricket and squash clubs. They have more middle-class members and someone on their committees with a professional background who had the time and ability to submit a successful application, whereas the sports I was trying to reach weren't well organised enough to get round to applying. After a while I realised the money wasn't going where I wanted it to go so I pulled the plug. The lesson I took away is: how do you reach groups without the capacity to respond to the offer of funding?

I'm now interested in doing more than just donating money so I'm now using my time and making use of my networks in an initiative I set up in 2010 called Box 4 Kids. The footballer Kenny Dalglish helped me to buy a box at Liverpool Football Club, which I only use to give disabled, sick and terminally ill and disadvantaged children aged 8-18 a day out as a VIP. They get a 5-course meal and sometimes meet players as well as watching the match. We have a fabulous partnership with Alder Hey Children's Hospital. Their staff know exactly what we're trying to achieve, so I leave the selection of the kids up to them. I enjoy working with them because they're completely transparent and open, they trust me and I'm now a patron at Alder Hey.

It's been the most moving experience that I've ever been involved in. It has an incredible impact on the lives of kids who are having a very tough time - maybe spending forty weeks or more a year in hospital, and in some cases who only had a few weeks to live after they came to the box. It has a great impact on the parents too, who tell us how important it is to have this happy experience with their child away from the hospital. It's very emotional and I get these incredible thank you letters and gifts from the kids and their parents. I've even become a pen pal with one little girl who met the gymnast Beth Tweddle when she came to the box because I supported her for London 2012. We've had about 300 kids in the box so far and it's all been such a touching experience.

Now I'm expanding the idea and getting boxes throughout the country by approaching people I know who are chief executives or high up in banks and big companies and organisations. As soon as they hear about the idea they offer

us the use of their corporate boxes at football and rugby grounds for one match a year, but they usually don't want any credit for it. We ask them to give us at least two weeks notice so we have time to work with a local hospital to find sick and disabled kids who'd like to watch a match. It's not costing me money, apart from the administration costs, but I'm using my contacts to get access to boxes for the scheme. I think the scheme could become really big, it could expand to boxes in theatres and concert venues. I'm really excited about it and now get even more enjoyment out of Box 4 Kids than from supporting elite athletes.

It makes me feel incredibly privileged to be in a position to be able to do something so constructive with the money. When I get thanked and hugged I always say: "I'm actually getting as much benefit and happiness out of it as you are". I tell my friends how enjoyable philanthropy is and I'm happy to share my experiences because at the outset I talked to people I respect in business who've become philanthropists to get their advice.

I run the foundation like a business, for example we have a well-designed website that we update regularly and monitor with Google Analytics, and I brought in people I trust to be trustees - people who'll question what we're doing and challenge my thinking.

But the main thing I would tell other people is the sheer amount of enjoyment you get from philanthropy. I'd say: "Don't think about the money going out of your bank account but instead think about the happiness that will be added to your life."

# TOP TIPS FOR DONORS

*When we speak to donors, we ask them to share their 'top tips' on giving donations worth £1 million or more. Here's what they said:*

- Find out what you are passionate about and really work out why you want to tackle that particular problem. As a donor it's too easy just to respond to requests, but you need to ask yourself: why this and not something else?
- If you want to keep personal control over your funding decisions then you need to pick something that you know about.
- Allow yourself time to experiment, don't think you have to have a perfect philanthropic strategy on day one, but try and end up with a strategy and a focus.
- Work out what most interests you, because you're only going to be good at supporting it if it interests you. But also keep an open mind because you may discover new areas that you didn't originally know you would be enthusiastic about.
- As well as giving money, try to get involved with the causes you support. There's nothing wrong with just handing over the money but I think it's like seeing the first half of a film then deciding not to see the second half! By getting involved in what the people we fund are doing, we get to see the complete story.
- Try to provide sustained support over a longer period of time. Whilst charities are obviously delighted to receive a one-off seven-figure sum, donors who give slightly less but over a longer period of time are potentially even more valuable.
- When you're starting out, don't try to do everything yourself and be prepared to pay for good help and support.
- Training for all trustees is essential, and do offer to reimburse your trustees' expenses – even if it's not taken up, it'll be appreciated.
- Do what you can do with what you have... Just try it by selecting a worthwhile project that will make a difference in other people's lives. Stay close to that project, get regular reports and enjoy seeing the effects your money is having.
- Don't just write a cheque and disappear. If you get involved and are part of the process of improving things in a personal way, then I guarantee the rewards will be far greater than you ever imagined.
- Do try to meet other donors and talk to them about their experiences, because that will teach you a lot – even if it's just what not to do!
- If you are comfortable to do so, work with the charity to make a public announcement about your donation. 'Going public' can help to raise the profile of the organisation and encourage other donors to come forward.
- Don't make unreasonable demands of the charities you support. The feedback you request should be proportionate to the size of your gifts and should not go on for years after the money has been spent.
- Consider contributing to the endowment of the organisations you care most about to help them put down roots and build a solid foundation. Endowments are a hard sell to UK donors, because they lack the urgency of other fundraising requests, yet they are a priority for institutions that seek stability and security.
- Think about your philanthropy as a way of educating your children – it can help them learn how to handle the responsibilities that come with inheriting wealth.
- Make donations that will transform the organisations you care about. Think about how your contribution can have the biggest effect over the longest time period – that probably means supporting the charity's capacity-building rather than simply funding a building or a project.
- Try to stick with a charity or a cause for a long time instead of making lots of short-term grants to many different organisations.
- Give something back to the people and places that have helped to create your wealth.
- Be prepared to fund campaigns as well as more tangible things. If the campaign is a success then your money will have a massive and long-lasting impact.
- Be open to funding core costs, such as salaries and heating bills, rather than just projects. Core funding liberates charity leaders from constantly scrambling for income to cover their daily expenses and enables them to concentrate on delivering the organisation's mission.





## RECIPIENT CASE STUDY: KIDS COMPANY



**Camila Batmanghelidjh, is the founder and director of Kids Company, a charity founded in 1996 to provide practical, emotional and educational support to vulnerable inner-city children.**

“I founded Kids Company in 1996 because, as a clinician, I began to understand the central flaw in the delivery of services to vulnerable children. It was evident that an assumption was being made: that there would be a competent adult in a vulnerable child’s life, who would be able to take them to the point of service delivery. As 80% of childhood maltreatment across the world is propagated by immediate family members and friends, it becomes clear that once your parent is harming you, they are hardly likely to take you to appointments at child mental health and social services.

Nothing could have prepared me for the catastrophic surprise I encountered: both the scale of hidden child abuse in Britain and the depravity children were being exposed to. Kids who were being starved, burnt with cigarette lighters, tortured and raped in street gangs, began making their way to Kids Company. With 97% self-referring children, I came across a substantial funding barrier: the state had never conceptualised a child who would seek help alone, and therefore it had not created a funding model to pay for services delivered to lone children seeking assistance. No local authority would fund us.

As we developed a wraparound model of care, meeting children’s needs across education, health and social care, no government department could decide whose umbrella we should fall under. Like the dispossessed children who turned to us, we became institutionally dispossessed and poor.

It is in this context that extraordinary philanthropists stepped in with their substantial donations, and in doing so not only transformed the life chances of individual children, but allowed the organisation to become an innovative children’s charity, which independent evaluations consider to be functioning above 90% in social and educational outcomes.

Philanthropy is one of the greatest innovations in this country. Often insightful and morally brave individuals who are prepared to do good with their wealth become catalytic in transforming the social care field by funding innovations which begin in charities and are hopefully absorbed by mainstream systems.

Here at Kids Company we are lucky to have many extraordinary supporters who are able to make major donations: Harvey McGrath, Coldplay, Sigrid Rausing, Damian Hirst, the Sainsbury family, John Spiers, Sofronie and many more who didn’t want to be known, have collectively helped a fledgling organisation become an environment which supports 36,000 children a year, employs some 600 staff members, facilitates some 11,000 volunteers annually and is at the cutting edge of brain research into the repercussions and management of childhood maltreatment.

The philanthropists who support Kids Company are intellectually brave. They listen, they allow us to innovate, and they do not place any restrictions on how their money should be used. In effect, it is a partnership of profound trust, where the wealthy join us in social innovation projects, which ultimately enables Kids Company to be a sanctuary for some of the most vulnerable and invisible children in this country.

Large donors and small donors have compassion in common. However, with a large donation, the philanthropist can become as involved as they would like in the social innovation they are funding. As a charity, we hugely appreciate the intellectual partnership as well as the financial contribution. There is nothing more special than two sets of people united in a concern, and driven towards meaningful solutions.

We never chase our philanthropists for money. We ask them to be partners, and give them information that they often lack. The shock is evident as we explain that some 1.5 million children are being harmed in Britain, and that such a leading country remains bottom of the league of 21 wealthiest countries in the world for the wellbeing of children. To any visionary, as most entrepreneurs are, the failure of governments to protect vulnerable children is crying out for a meaningful solution.

I think that people who give to charities shouldn’t see it as distributing their leftovers. It is a unique and deeply moving opportunity to share your wealth and, through it, be catalytic in another human being’s life, mutually experiencing the good that can emerge from kindness.

Often people believe that only the recipient of a charitable donation is enhanced by the gift. However, life transformations are mutual experiences: just as much transformation is facilitated in a donor’s life when they realise the potency of their money, not in pursuit of another



## CASE STUDY CONTINUED: KIDS COMPANY

house, or a yacht, but in the service of good. Goodness is entirely delicious. You are missing out on it if you don't give. There is no cheating in genuine giving – it has to come with an open spirit, an enquiring mind and respect for the expertise of those who do the social care jobs on the ground every day. The philanthropist can learn; the workers can be enriched by the philanthropist's different skill base and viewpoint, but ultimately, only respect for an equal partnership glued together by genuine compassion makes for charity and its truth. So if you are an aspiring philanthropist, don't buy into gimmicks. Shelve your ego and move forward with a spirit of adventure, learning new things and participating in the magic that comes from making other people happy.

Every week, I stare down at my spreadsheet. The funding gaps punch me in the face, and my heart sinks at the burden of responsibility. So many lives are reliant on my ability to raise the money: some 2,000 children a week who rely on us for their main meal, the thousands who look to our staff as substitute parents, the 500 beds we had to buy for children who were sleeping on the floor... I am not free. I cannot walk away. I am held hostage by my vacuous spreadsheet.

And then the miracles arrive, daily. Some incredible individual who sends us their cheque, who phones and wants to help, and gradually, cumulatively, through the collective power of good, the empty funding gaps fill up gently, and I sit in awe, often moved to tears by the kindness of complete strangers.

For children who have been harmed, the primary and enduring assault is an attack on their dignity. Why were they not chosen for love, and to be cherished? Instead, they became the subject of another person's hateful intentions. So imagine their surprise and delight as complete strangers step onto our premises and decide to support them through their donations. For a child whose humanity has been negated, a philanthropist embracing them is the first step towards being reclaimed, cherished and invited back into society. As one child put it, 'they're f\*\*\*\*\*g brilliant!'"



## RECIPIENT CASE STUDY: THE COURTAULD INSTITUTE OF ART



Emma Davidson is director of development at The Courtauld Institute of Art in London, one of the world's leading centres for the study of art history and conservation.

"Since 2002, when we first became an independent college of the University of London, we have been building our long-term future by broadening out our sources of philanthropic funding. We were able to become independent as a result of raising an initial endowment, and the longer-term business plan requires us to create a minimum £50 million endowment, of which we have so far raised £32 million. This is in addition to raising regular annual income and scholarship funding. So, with that goal in mind, most of our biggest donations are for the endowment, rather than paying for buildings or projects.

The recent financial crisis definitely slowed down our efforts. It felt more difficult to ask donors for contributions to an endowment because it appears to lack the urgency of other fundraising requests. Endowment gifts can be a more challenging sell but we pursue them because they enable us to put down another root and build the foundation for our institution. You can't do anything without roots!

Making this kind of long-term investment appeals to donors who really care about the institution and what we're doing, who trust us to spend their money well in the far-distant future, who don't need to see their name on a plaque, and who are interested in directly supporting people and activities through endowing a post or programme.

One of the first big sums we received was a significant multi-million pound gift from the Edmond J. Safra Philanthropic Foundation. It was intended as a transformational gift and was given at the time we became independent to help us establish ourselves. Safra's widow, Mrs Lily Safra is passionate about education and the arts and achieving the highest levels of scholarship, so all those aspects – along with important support from our board – resulted in a successful application to the Foundation and a very generous gift.

Over the years, we've had two further donations of £5 million, a couple of £2.5 million gifts, and around ten gifts worth £0.5 million or £1 million. Most of our million pound donors have made large and generous gifts before giving a seven-figure sum. In fact a few have cumulatively given over a million pounds before making their first one-off million pound donation. I think it's important to recognise

the vital importance of those who regularly give four-, five- or six-figure sums, because sustained significant gifts over a period of time can really make a difference to an organisation. It absolutely is not the case that the only thing that is valued is to give £1 million in one go. For example, one philanthropic trust has given The Courtauld £50,000 every year for ten years – that adds up to a lot of money!

I believe it can be over-facing to ask for £1 million, even if you understand the donor is capable of giving at that level. One would only start by asking for that much if you have prepared well and paved the way effectively, and there are strong indications that the donor is ready to be asked. And also, in my experience, donors tend not to give seven-figure sums to revenue campaigns, they are more likely to give £20,000 or maybe £50,000 at most.

Our most recent major gift was the hugely generous and extraordinary £2.5 million of endowment funding from the Robert H. N. Ho Family Foundation to fund a new M.A. programme in Buddhist art and conservation, which begins in autumn 2013 and will be run in collaboration with the School of Oriental and African Studies. That donation is unusual because it is for a new initiative, whereas most of our other endowment fundraising is to pay for existing core costs, like academic posts.

Our major donors are connoisseurs of art, people who see value in the study of the visual arts and believe it's important to our understanding of society, the world around us and our history. The fact that we are educating the brightest students who, in the future, will be able to care for and interpret our visual heritage is also very important to our donors.

All our donors – major or not – are part of our community. Every single donation genuinely makes a difference, both financially and in terms of giving the institution a sense of confidence. It's very motivating for the staff to know that we have 2,000 people supporting our work, and it gives other potential donors the confidence to add their contribution.

That said, having major donors is essential for a number of reasons. They have a real impact, because without their financial contribution some things simply couldn't happen, and they also have a motivational impact because they provide donor leadership and an energising effect for everyone involved in the project. It feels like a huge stamp of approval that raises the spirits of everyone involved. It

## CASE STUDY CONTINUED: THE COURTAULD INSTITUTE OF ART

also enables us to plan ahead with confidence if a donor makes a big commitment, say for five years. This might enable us to recruit a leading expert to an academic post or develop a strategic programme such as our work in conservation of paintings. It also helps us to start conversations with other potential supporters because we can let them know that someone they respect is already supporting us. So our biggest supporters provide wonderful leadership and visibility for our organisation and its needs.

The stewardship of our major donors is bespoke. We have a new member of our team dedicated to having oversight of these relationships. Our approach is to take into account each donor's motivations, what they've given to and how they want to be involved with us. We always have a gift agreement that clarifies the purpose of the gift and sets out expectations for the relationship. We tailor our reporting to people's preferences, for example some like written reports, others only want to hear from us by email and others welcome pictures and more illustrative aspects or more informal updates. In my experience it's the professional foundations that make the highest demands whilst individuals rarely actively request formal reports, although in fact we make sure we report back regularly to our donors on how their gift is being spent.

We ensure all major donors are invited to private views and key events, and if they fund scholarships then we send out reports on how their scholar is getting on, and they also get an invitation to meet their scholar during the year at a special reception. They would also be well known to the Chairman and the Director and have access to our senior staff. But most donors think more about how their gift will achieve something and want to hear about this, rather than what they will specifically get back in return in measured benefits.

The challenge for us is to find a way to build relationships that are meaningful on both sides. Some of our major donors are quite hands-on and want direct relationships with the project or person that they support – they might visit regularly and want to spend time talking about the work. Others are more arms-length in their association with us, perhaps because they have other commitments that they care about equally. But there isn't one supporter who doesn't enjoy being in our galleries looking at the wonderful pictures, or seeing behind the scenes and touring our amazing library, whilst having an interesting conversation with our staff – that's a treat for everybody. We try to ensure that all our donors, major or not, have a sense of access – that they feel it's their institution and that they can

participate in what's going on.

We identify potential major donors by doing research to find out who's demonstrating an interest in the visual arts and education, and we ask our networks of supporters or friends already close to us who they know who might have a common area of interest. So it's a mix of desk research and networking.

People who are capable of making large gifts can also appear without us looking for them when they sign up as members in our lower level giving programmes. Over time, as we get to know them, we can establish if they might be able, and wish, to get involved at a higher level – for example if we notice that they've given a bit more one year.

We hope we do enough research in advance to introduce potential supporters to The Courtauld in a way that best suits them and engages with their specific interests. Once we have met them, we would then hope to understand how best to develop that relationship at a pace that works for everybody, because usually they are very busy people.

Our membership programme, the Samuel Courtauld Society, has a top level called the Director's Circle for around 25 donors who have given at least £5,000, which is a great way of engaging with people who are interested in what we're doing but aren't ready to make a larger commitment. There's a year-round events programme that enables members to engage with the institution, to join private tours of collections and exhibits and to meet our academics, students and alumni. The Directors Circle is a very straightforward way to engage potential supporters without us constantly contacting them to suggest ways they could get involved, because there's a programme they can consult and fit around their timetable. But if we know they have a particular interest, then we might phone up to suggest they attend a particular event that we think will appeal to them, and we might let them know that the Chairman or someone they'd like to meet will also be attending. So we try to offer interesting opportunities rather than putting them under pressure.

We see the Director's Circle as a group of like-minded individuals who have shared interests and enjoy knowing each other. All our groups – the Directors Circle, the Patrons' Circle (who give a minimum of £1,250) and the Associates (who give a minimum of £500) – help donors to feel they are part of the Courtauld family. We use that word 'family' a lot when we talk about our donors.

People who've joined the Director's Circle can go on to



make more substantial gifts, to other schemes we run. Somebody recently went on a members' trip where they had a conversation with our director and then decided to support the scholarships programme. This example highlights the importance of leadership. I'm confident that all our major donors very much like and admire our director, Professor Deborah Swallow, who is very visible and accessible to our supporters - and that matters because people give to people. Someone might intellectually feel that the visual arts and education are very important, but unless the person at the top of the organisation is inspiring, then that thought might not turn into action.

Major donors like to be aligned with excellence in whatever field interests them, and The Courtauld is one of the best at what it does, which is demonstrated by the history of what we and our alumni have achieved, by statistics about our impact and by press reviews. It's exciting to be part of something really good but it's not exciting to be part of something rather mediocre, however worthy!

There are two things I would say to potential major donors.

Firstly, that making a big gift is something you should feel very good about and philanthropy should be exciting and enjoyable. But it's very easy to get caught up in only funding glamorous projects when actually organisations that are well run also need support just to keep on doing that good job, so it would be wonderful if donors could think about the real needs of the organisations that they care about.

Secondly, I would say that charities really appreciate straight talking so it's great, if you are interested, not to leave them to guess! They would love to have the opportunity to talk constructively with you and give time to seeing how your passions might mesh with their work. Let them know how you might like to take that interest forward because it really helps charities when you are clear and open with your communication. Once you have had that conversation, hopefully the relationship will move forward positively for both you and the organisation. Equally, it's ok to say "I'm not ready to give but you can come back to me in two years' time" or "actually, your charity is really not of interest to me". In doing so you are saving charities valuable time in making efforts to find out if you are interested in supporting them.

My advice to charities looking for significant support is to balance the quick hits that can be really helpful and work for you and the donor, with focusing on long-term

relationships, because you want to create a stable future for your organisation and it will be more satisfying all round if you build the right programmes for your major donors. Listening is crucial - it's very easy for fundraisers to keep trying to 'sell' their organisation and forget to listen to donors and really understand what interests them. We must listen to what they have to say, because it gives very good insights into what people feel about your organisation and whether they trust you.

You also need to engage the senior management in the process, and educate your leaders in the principles of philanthropy. The leadership is completely critical to success so they need to understand the process and buy into it. In major gift fundraising your leadership will almost certainly be the most appropriate person to make the major gift 'ask' so it is vital that they are involved and part of the planning process and get to know the potential donors. It also helps to think creatively about some of the things that make you special that could inspire supporters. You don't need to fork out for expensive dinners if you can offer something else that is special, like expert insight into the area you work in, that will enlighten and engage people. Also think about the people who are already in your orbit, like trustees, who may not be making big gifts but who could help to facilitate introductions and endorse your organisation, because major gift fundraising is truly a team effort.

Finally, you need to invest in research, careful planning, thinking time and a dedicated major gift fundraiser to 'orchestrate' the process if you want to be successful in this area of fundraising. And be prepared for it to take some time to deliver results - some gifts will come in fast and furious and take you by surprise, but others might take a while so you need to be determined but patient as an individual and as an institution."

## RECIPIENT CASE STUDY: MACMILLAN CANCER SUPPORT



**Lynda Thomas is Director of Fundraising at Macmillan Cancer Support. Macmillan's ambition is to reach and improve the lives of everyone living with cancer and inspire millions of others to do the same.**

"Major donors, whether individuals or corporates, are a vital part of Macmillan's income. Last year, Macmillan's fundraising department raised more than £135 million and corporate donations were our fourth biggest source of income, bringing in a hefty £18.5 million.

Our corporate partnerships are one of the areas we are most proud of. A fundraising vision of ours is to make it easy and rewarding to support Macmillan and we feel our partnership with Boots UK is a great example of how this approach has worked for us. We think it is sector-leading. There aren't many examples of charities engaging with businesses at this level.

Boots UK staff have raised more than £4.4 million for Macmillan since the partnership launched in 2009 until April 2012. But it's about much more than fundraising. Boots colleagues have donated their skills and time, taking part in a variety of volunteering activities to help people affected by cancer.

Over 600,000 cancer information leaflets have been distributed so far, plus information online and on 35 million dispensing bags. Since Autumn 2012, over 1,000 Boots Macmillan Information Pharmacists have been introduced in stores to provide a new familiar, trusted port of call for information about cancer and support services.

The profile that gives to our charity is absolutely amazing. If we had to pay for this, it would cost us millions of pounds, so we have to include the value of money we would otherwise have spent when we assess the worth of any partnership.

Our partnership with Boots didn't come about because they wanted to give us money. It came about because we were looking for a partner who shared our vision to make cancer support accessible to everyone and Boots wanted to work with a partner that would complement its expertise and help it deliver high-street cancer information and support services to its customers. We both have fabulous brands and the synergy between the two organisations' brand values was absolutely fantastic.

These types of strategic partnerships usually start at the most senior level – it's CEO to CEO or director to director.

That's not to say they aren't driven by similar motivations to other supporters – perhaps someone right at the top of a company, or one of their loved ones, has cancer and they decide they want to do something to improve the experience for other people.

The corporate partners that can give at this level tend to be the larger ones with a big employee base or a large number of outlets, because a lot of the money comes from employee and customer fundraising. Boots have got both – a huge staff and customer base as well as an enormous high street presence.

But we are not only focussed on those who can give over a million pounds in one year. For example the National Gardens Scheme has raised more than £13.7 million for us since 1985. That's over half a million pounds each year and an enormous amount in total, so we really value their sustained support. It's great to have a donor who can give you £1 million in any one year but actually the donor who gives slightly less but over a long period of time really plays an important role in this market as well.

In fact we're not usually looking for a one-off hit or a straight forward donation.

Corporates come to us because they have a sound business need to get involved with us. That is brilliant because it gives us an opportunity to work with their Corporate Social Responsibility department and their marketing and communications teams as well, to truly maximise the benefits of the partnership. In general that's not something you can do in just twelve months.

Of course, we are always delighted when we are chosen as a company's Charity of the Year, it is important to have a portfolio of partnerships, but where we can really make an even bigger difference is when we work together in a three to five year partnership, or even indefinitely, as is the case in our partnership with Boots UK.

Both organisations are seeing it as a marriage – i.e. as permanent – rather than as a fixed-term relationship. Also, continuity of personnel at the top of both organisations has been absolutely critical to the success of the partnership.

It took around 16 months from the original idea to the launch of the Boots UK partnership. We began by establishing a shared understanding and vision. It's much easier once you have that in place because you can keep referring back to the vision document. Every three months





we have a joint executives meeting when all the Boots and Macmillan staff who are working on this project get together. That's a lot of directors in one room! We talk about what's happened so far, what's coming up, and any issues that need unblocking.

The fundraising was the easiest element to start with because Boots colleagues were very happy to throw themselves into it, and there's a lot of tried and tested methods for fundraising in workplaces. The models are already there and both charities and companies have the skills to make them work. But it takes longer to set up a proper strategic partnership, that's where there's an element of co-creation. In the same way as you would with a major donor, you start by saying "what are we going to achieve together?"

These kinds of partnerships mean the charity becomes part of a company's business solution, rather than just an organisation they want to throw cash at. Gone are the days when companies just chuck money at charities in return for a photo call with their chief executive handing a cheque over. Charities must offer more than positive PR these days; they need to offer real business benefits. But that's not to say workplace fundraising is devoid of emotional engagement. We don't want to get to a point where it's about nothing but strategy because there's a lot of fun, creativity and team bonding involved in raising money for a charity like Macmillan where the cause has touched a large percentage of the staff in any company you go into. It's much harder for charities that don't connect with the staff base.

There's a whole range of ways that we report to our funders and demonstrate the impact of their support. We're good at data, so we have a lot of statistics to illustrate how much money was raised, what we used it for, how many people were helped and what it achieved. We also take supporters to visit projects, like our new flagship building within University College Hospital, so they get more than just data – they can see and touch what their money is being spent on. That's very powerful, as is introducing our funders to the people employed on our support line, in our centres, hospitals or hospices. If a corporate partner meets one of our frontline staff then they usually want to know what more they can do to support that person.

Whatever the size of the donor and the size of their donation, we always need to be able to demonstrate why we needed that money and how we spent it.

I would advise corporate partners thinking about entering partnerships to understand why they want to do it and to realise that it's ok to have a range of objectives. For example, if you want to increase footfall in your store then don't feel you have to pretend it's solely about making a donation to the charity. If you want your staff or customers to help raise money then give them some choice in choosing the partners and make sure they are passionate about it and feel they own it. People generally fundraise more enthusiastically for charities they feel more strongly affiliated with.

I would advise charities not to let size, geography or lack of experience stop them approaching corporates, because almost every charity can find a partner that will bring mutual benefits. Smaller, local charities might feel at a disadvantage compared to the bigger brand names, but they actually have an advantage when it comes to pitching to regionally based companies.

Remember to leverage your networks, because everyone is an ambassador and could be in contact with your next big corporate partner, so encourage key stakeholders – including your staff, trustees and other donors – to be proactive and respond to opportunities.

But the most important thing is to make sure the values of the company align with your charity values, or it simply won't work out for either side."

# TOP TIPS FOR CHARITIES

*When we speak to charities, we ask them to share their 'top tips' on receiving donations worth £1 million or more. Here's what they said:*

- Don't chase philanthropists for money, invite them to be partners by giving them the information they lack about why your work is needed.
- Focus on building relationships with wealthy supporters, rather than seeking a quick win, because it will be more satisfying and rewarding in the long-term.
- Listening is crucial – it's very easy to talk at people and bang on about our organisations and forget to listen to donors and learn what interests them.
- The leadership of the charity must be part of the process of working with major donors. If need be, educate them in the principles of philanthropy because their engagement is critical.
- Think creatively about what makes your charity special. You don't need to spend a fortune on expensive events to attract wealthier donors, instead think about offering an expert talk into the areas you work in, which will enlighten and engage potential donors, and be more memorable than yet another flash dinner.
- Major donors like to be aligned with excellence in the fields that interest them. So, however niche your activity, if you are the best at what you do then you can aspire to receiving this level of support.
- Donors giving at this level are often time-poor but do try to ensure they can meet, or speak to, the staff who are carrying out the work that they are funding because hearing how the work is developing makes a real difference to their commitment to the project.
- Tailor the feedback to suit each donor. If they like facts, figures and statistics then explain the impact of their gift by providing data on what additional activity and impact they have made possible. If they prefer to hear stories about how their support has helped then share stories of the difference their support is making at a human level.
- Help your donors to feel part of your charity by telling them about significant developments occurring at your charity before they become public knowledge.
- Invite your donors to events where they can meet others who give at a similar level. They don't always know each other, but they do know of each other. It can influence their decisions if they know that their peers are giving at a certain level over a long period of time.
- Have a conversation early on to find out how major donors want to work with you and what kind of feedback they want, to be sure they are getting enough information and the right kind of information.
- Give your major donors access to your charity's leadership – they don't only want to meet the fundraising staff.
- Take your time and ask at the right time. It can take three or four years before a donor is ready to make a really significant financial commitment.
- Major donors will rarely ask for formal acknowledgement, like naming opportunities, but they usually appreciate being asked.
- Involve your major donors as much as is appropriate. Million pound gifts come about because someone is passionate about what you do, so give them every opportunity to enjoy their passions.
- The bigger the donation, the more reassurance the donor usually needs. Give them every reason to trust you and believe their money will be well spent for maximum effect.



# APPENDIX ON METHODOLOGY

This report identifies all known charitable donations worth £1 million or more that were made either by UK donors or to UK-based charities during 2010/11, which is the last financial year for which full accounts are available. However, as charities' financial years end in different months, and their annual accounts are published at different times of the year, the donations included in this report could have been made at any time from 1st January 2010 to 31st December 2011.

Almost all of the data discussed in this report was gathered from publicly available documents, primarily from charity annual reports and accounts but also from print media coverage. Some additional data was also provided by donors and by charities in receipt of million pound donations, with the consent of their donors. The donations included in this report have been paid in full to recipient charities. We do not include aspirational statements about sums that donors hope to eventually distribute during their lifetime.

We include million pound donations to charitable foundations and trusts, because they are irrevocably committed to be spent for the public good. However, we are alert to the fact that including such figures risks 'double counting' when the original sum put into the foundation is added to the value of grants later distributed from that same pot. For this reason, we include a final column in both tables 5 and 6 that excludes the money deposited in foundations.

The charitable sub-sectors are those used in the Million Dollar Donor List, which is compiled by the Center on Philanthropy at Indiana University. Whilst some definitions travel better than others across the Atlantic, we decided to retain their typology to enable cross-national comparisons. Further information is online at [www.milliondollarlist.org](http://www.milliondollarlist.org)

# ACKNOWLEDGEMENTS

As in previous years, the biggest thanks are due to our researcher, Kayleigh Newby, who worked diligently to identify major donations described in the annual reports and accounts of grant-making and grant-receiving charities and mentioned in the media. A number of organisations helped to supplement this information, thanks especially to the Community Foundation Network and CAF (Charities Aid Foundation). We are grateful to the donors and recipients who agreed to appear as case studies in this report: Fran Perrin, George Koukis, Barrie Wells and Liz and Terry Bramall as well as Lynda Thomas at Macmillan Cancer Support, Camila Batmanghelidjh at Kids Company and Emma Davidson at The Courtauld. Thanks to those who provided expert comments and feedback on the findings and earlier drafts of this report: Adrian Sargeant, Una Osili, Jon Cracknell and Philip Spedding. Thanks also to Liz Lipscomb for her valuable assistance and input.

This project benefitted enormously from the initial input of colleagues in the Center on Philanthropy at Indiana University, where The Million Dollar Donor List has been compiled for over three decades. The US data is now available as a freely accessible and interactive website at [www.milliondollarlist.org](http://www.milliondollarlist.org).

Despite all this tremendous help, we know there are likely to be gaps in our data because some large donations are intentionally kept secret and others have simply escaped identification. We hope this report will prove the usefulness of sharing information and that more individuals and organisations will be willing to co-operate with future updates. Our aim is to create a longitudinal dataset that will be of increasing use to everyone seeking to understand and track trends in major giving, especially fundraisers, donors, philanthropic advisors, policy makers and all who care about encouraging major philanthropy in the UK.

## About the Author

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## The University of Kent

The University of Kent, the UK's European university, was the first institution within the county to be granted a university charter. It has 19,000 students studying at Canterbury, Medway, Tonbridge, Brussels and Paris. It is a major educational, economic and cultural force throughout Kent, supporting innovation and enterprise across the region.

## The Centre for Philanthropy

The Centre for Philanthropy is an independent research centre with close links to others in the field. In particular, it works with the ESRC Centre for Charitable Giving and Philanthropy, which is co-ordinated by Cass Business School at City University and funded by the Economic and Social Research Council, the Office of the Third Sector, the Carnegie UK Trust and the Scottish Government. The broader aims of the Centre at Kent include the promotion of research dedicated to the study of philanthropic motivations, social patterns of giving, the distribution of donations and analyses of the impact of philanthropy and humanitarianism on social policy and political processes.

# COUTTS PHILANTHROPY ADVISORY SERVICES

Coutts was the first private bank in the UK to establish a dedicated specialist philanthropy team, which helps clients and their families develop their giving strategy so that it is rewarding and makes a real difference to the causes and communities they care about. It can also be an integral part of wealth planning and transferring wealth to the next generation.

## **Helping clients develop philanthropy strategies**

At Coutts we recognise there is no single way to conduct philanthropy, and the options open to those who want to make a difference and/or pursue personal or family goals are more varied and exciting than ever.

Our dedicated in-house experts offer advisory services to clients at all stages of their ‘philanthropy journeys’, whether they are just starting out or very experienced. Clients and their families regularly seek advice on a range of issues, including:

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- Developing a focus or strategy for philanthropy and/or social investment
- Engaging the next generation
- Understanding the causes or communities they care about and how to effectively target resources to maximise results
- Developing meaningful and appropriate relationships with the organisations they support
- Reviewing the results and impact of their philanthropy

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- Inspiring local philanthropy: Making a difference to local communities

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In addition to the philanthropy advisory services and associated Forums for Philanthropy and publications, Coutts acts as a ‘one-stop-shop’ for all the needs that philanthropists may have including: trust, tax and estate planning; managing charitable endowments and charity banking. For more information visit [www.coutts.com/philanthropy](http://www.coutts.com/philanthropy).

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